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S E C R E T SECTION 01 OF 02 RIGA 000088

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TAGS: PREL PGOV CVIS ECON NATO RS LG

SUBJECT: AMBASSADOR LARSON'S COURTESY CALL WITH LATVIAN PRIME MINISTER GODMANIS

REF: A. RIGA 22
1B. RIGA 55
1C. RIGA 23
1D. RIGA 36

Classified By: Ambassador Charles W. Larson for Reason 1.4(d).

11. (C) Summary. On February 14, Ambassador Larson met Latvian Prime Minister Ivars Godmanis for introductory discussions on a range of issues. They discussed Afghanistan, Kosovo, Visa Waiver, and the Latvian economy. End Summary

12. (C) Ambassador Larson paid his courtesy call on Prime Minister Ivars Godmanis on February 14 to begin discussions on topics of mutual interest. The Ambassador was joined by DCM, Pol/Econ Chief, and Pol/Econoff (notetaker). Godmanis opened the discussion by stressing the importance of Latvia's strategic partnership with the United States. He then moved to Afghanistan, which he called priority number one. Godmanis stated that Latvia needs to "improve our capacity and purchase equipment. . . . Our soldiers have to go south, but they need equipment." (Comment: the Defense Minister recently said that Latvian troops lacked the armor needed for deployment in the south of Afghanistan. End Comment.) Referring to Latvian police officers in Afghanistan, Godmanis said that he needed more information on whether this had been a useful deployment.

13. (C) Ambassador Larson expressed appreciation for Latvia's participation in both Iraq and Afghanistan: "We remember those who stuck with us." On Afghanistan, the Ambassador thanked the GOL for its training operations there and stressed the importance of allowing Latvian troops to go wherever the fight may take them (rather than being caveated). The Ambassador also praised Latvia's strong relationship with the Michigan National Guard. Godmanis remarked that the West "can't afford to fail" in Afghanistan.

14. (C) Godmanis then moved quickly through several disparate topics. On the pending declaration of independence in Kosovo, "It will be a tough job. . . . We are not sure what the Serbs will do." He added that "Kosovo is a European problem," as "Cyprus, the Romanians, and others" have different views on the issue than other EU countries. Godmanis mentioned the 7th Baltic Sea States Summit that will take place in June and noted that many leaders from the region will attend. Discussions at the event would likely focus on energy, transport/transit, financial, and environmental issues. The PM also briefly acknowledged the recent incident in which Latvia expelled a Russian diplomat for espionage (refs A and B): "We are still waiting what will happen. It's a volatile situation."

15. (S) On security issues, the PM noted the upcoming visit from DHS in March to continue discussions for Latvia's possible entry into the Visa Waiver program (VWP). He acknowledged that the recent passport scandal in Latvia (refs

C and D) had not helped Latvia's efforts to enter VWP. Ambassador Larson thanked the PM for Latvia's cooperation in the scandal and stressed that transparency and full disclosure of all information when something goes wrong is critical. The PM also mentioned his visit to the U.S. in November of last year (when he was then Interior Minister) and said the GOL would like to increase cooperation with the U.S. in combating narcotics, internet crime, and money laundering--as well as strengthen intelligence cooperation. He added that, as Latvia considers streamlining its security services, the country could use some technical assistance from the U.S.

¶6. (C) On economic issues, the PM addressed the major challenge of inflation. He said that an enormous amount of money came into the Latvian economy (mostly from Scandinavian banks) after the country entered the EU--and the country is struggling to absorb these extra funds. He mentioned European Commission President Barroso's visit to Latvia in the coming days, and stated that climate and energy sector issues would be high on the agenda. On EU greenhouse gas emission caps, "It is not easy for emerging economy countries to reach (such) parameters." The PM expressed support for the proposed Blackstone purchase of Lattelekom shares from Finnish/Swedish firm TeliaSonera: "We are speaking with them (Blackstone) very regularly. . . . The hope is Blackstone comes in and will do other investments."

Comment

¶7. (C) Godmanis was his usual voluble self throughout the meeting, asking for updates on the U.S. primary season and musing about the future of Iraq and Afghanistan. He showed

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an interest in Ambassador Larson's background and made a point to stress Latvians' affinity for the United States. Godmanis concluded by urging Ambassador Larson to get to know Latvian culture: "We are working to get economically equal with the EU; but on culture it is vice versa."

LARSON